

EXHIBIT O

1 UNITED STATES DISTRICT COURT

2 DISTRICT OF NEW JERSEY

3 CASE NO.: 2:09-CV-01295-JAG-MCA

4 -----x
5 PICATINNY FEDERAL CREDIT UNION,

6 Plaintiff,

7 vs.

8 FEDERAL NATIONAL MORTGAGE ASSOCIATION,

9 Defendant.
10 -----x

11 Per Protective Order, Section 9, this transcript has a
12 temporary "Confidential" designation for a period of 15
13 days after the deposition is received

14 DEPOSITION OF ALEXANDER N. SAPHOS

15 Thursday, February 25, 2010

16 Newark, New Jersey
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Deposition of ALEXANDER N. SAPHOS taken in
the above-entitled matter before Mark Iuzzolino, a
Certified Shorthand Reporter (License No. X101103)
and Notary Public of the State of New Jersey, taken
at the offices of LATHAM & WATKINS, LLP, One Newark
Center, 16th floor, Newark, New Jersey, on Thursday,
February 25, 2010, commencing at 9:01 a.m.

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1 business plan, Bates-stamped SAPA 367
2 through -386, is marked as
3 Plaintiff's Exhibit 94 for
4 Identification.)

5 Q. I see. Now, let me show you what
6 I'll mark as 94. Now, I placed in front of you
7 a document that was marked P-94 for
8 Identification. It bears Bates numbers SAPA
9 367 through -386. And it consists of an e-mail
10 from Suzanne Cavalluzzo to you and an attached
11 business plan of US Mortgage Corp.

12 Have you seen this document
13 before?

14 A. I probably -- I have seen it. I
15 didn't recall it. You're referencing July 20,
16 2004, and I just don't recall it.

17 Q. Do you have any reason to believe you
18 did not receive this e-mail or this document?

19 A. No. I believe I did receive it.

20 Q. Now, if you could, turn to page 9 of
21 the business plan of US Mortgage.

22 A. Page 9 of the business plan?

23 Q. Yeah, which would be document No. 376
24 on the bottom. Now, the heading on the top is
25 "Management and Operations." And you have the

1 name "Michael J. McGrath, chairman of the board
2 of US Mortgage Corp.," and then a short bio
3 underneath that.

4 Do you see where I am?

5 A. Yes, I see "Michael J. McGrath, Sr.,
6 chairman of the board, US Mortgage Corp."

7 Q. And then "Michael J. McGrath, Jr.,
8 president and CEO of US Mortgage Corp.," and
9 then biographical information underneath that.

10 A. Yes.

11 Q. And could you read that biographical
12 information for me?

13 MR. KRAUS: Out loud?

14 MR. FORTE: No. To himself.

15 A. Okay.

16 Q. Now, we can agree that under the
17 biographical information for Michael J.
18 McGrath, the president and CEO of US Mortgage
19 Corp., there's no reference to any affiliation,
20 assistant vice-president or otherwise, of any
21 credit union. Correct?

22 A. Yes, we can agree to that.

23 Q. And can we also agree, sir, that you
24 did not think that Mr. McGrath was an assistant
25 vice-president of a credit union, did you?

1 A. No, I did not.

2 Q. Now -- and you didn't think he was an
3 assistant vice-president of my client,
4 Picatinny Federal Credit Union. Correct?

5 A. Correct.

6 Q. Now, one of the things that is said
7 on the document is that it says, "Mr. McGrath,
8 Jr. is a member of Fannie Mae's Technology
9 Advisory Board that focuses on industry
10 technology issues and direction."

11 What is that?

12 A. I don't even recall that board, but
13 I'm assuming it was an advisory board of sorts
14 that was created in conjunction with our
15 release -- our introduction and release of
16 desktop underwriter.

17 Q. Now, do you know who appointed him to
18 that board?

19 A. I do not.

20 Q. Did you have any involvement in that
21 process?

22 A. I did not.

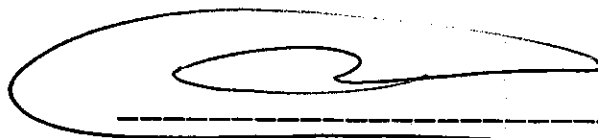
23 Q. Do you know any other members of that
24 board?

25 A. I do not.

C E R T I F I C A T E

I, MARK IUZZOLINO, a Certified Shorthand Reporter and Notary Public of the State of New Jersey certify that the foregoing is a true and accurate transcript of the testimony of the aforementioned first duly sworn by me.

I further certify that I am neither attorney or counsel for, nor related to or employed by, any of the parties to the action in which the deposition is taken, and further that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in the action.



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